

MINUTES
Finance Committee
May 21, 2001

The Finance Committee met May 21, 2001, at 8:30 a.m. at the Office of the Attorney General, Conference Room B, Frankfort, Kentucky. Chair Baker presided.

ROLL CALL

The following members were present: Walter Baker, Steve Barger, Ron Greenberg, Merl Hackbart, Amanda Coates Lich, Charlie Owen, and Charles Whitehead.

*2002-04 SPECIAL
FUNDING
REQUESTS*

Sue Hasbrouck, Senior Associate for Finance, provided an overview of the draft 2002-04 Special Funding Request Guidelines. At the February 2001 meeting, the council approved the "Points of Consensus Among the University Presidents, KCTCS President, and the Council President Concerning the 2002-04 Funding Methodology." Within the framework of the *Points of Consensus*, the staff developed draft 2002-04 Special Funding Request Guidelines and Evaluation Criteria.

A discussion followed by the committee members.

Mr. Greenberg requested a report on extramural funding at all of the schools for the last three years.

This item was motioned for approval at the council meeting and the motion passed.

*ACTION:
TUITION-SETTING
GUIDELINES*

RECOMMENDATION: The staff recommends that the tuition-setting guidelines be approved as presented.

Ms. Angela Martin, Vice President for Finance, reviewed the guidelines. A discussion followed by the committee members.

MOTION: Mr. Hackbart made a motion to eliminate the first bullet of the proposed tuition-setting guidelines. Motion seconded by Ms. Lich.

VOTE: The motion passed. Mr. Whitehead opposed the motion.

MOTION: Mr. Greenberg made a motion to eliminate the second bullet of the proposed tuition-setting guidelines. Motion seconded by

Ms. Lich.

VOTE: The motion passed.

MOTION: Mr. Hackbart made a motion to separate the third bullet into two statements. Mr. Greenberg requested to add that the council staff will continue to monitor and report to the council on an annual basis the percentage of income needed to pay for college expenses. Motion seconded.

VOTE: The motion passed.

MOTION: Mr. Barger made a motion to adopt the guidelines as amended. Motion seconded by Mr. Greenberg.

VOTE: The motion passed. Mr. Whitehead opposed the motion.

RECOMMENDATIONS: The staff recommends that reciprocity agreements between Kentucky and Ohio be approved. The staff also recommends approval of the addition of Washington County, Indiana, and Jefferson Technical College and Owensboro Technical College to the existing Kentucky and Indiana reciprocity agreement.

*ACTION:
OHIO AND INDIANA
RECIPROCITY
AGREEMENTS*

Ms. Martin stated that there were a few changes to the second recommendation. First, the Indiana Commission on Higher Education proposed a minor wording change for the community college at Evansville. The new wording is Evansville/Community College of Indiana. Also, the KCTCS asked that Northern Kentucky Technical College be added as a party.

MOTION: Mr. Greenberg made a motion for adoption. Mr. Hackbart seconded the motion.

VOTE: The motion passed.

The council used the Kentucky space-planning guidelines to evaluate the need for new or renovated space at the public colleges and universities for the 2000-02 capital projects recommendation.

*REVIEW OF SPACE
PLANNING
GUIDELINES*

According to the *Points of Consensus*, the space-planning model was to be reviewed in the areas of research space and quality of space, including fitness for purpose. The council contracted with Paulien and Associates Inc. to revise the guidelines for research space at the doctoral universities.

*COUNCIL ON
POSTSECONDARY
EDUCATION 2002-
08 SIX-YEAR
CAPITAL PLAN*

*ACTION:
ENDOWMENT
MATCH PROGRAM
GUIDELINES*

Mr. Daniel K. Paulien gave a presentation on his report to the committee. A discussion followed by the committee members and members from the audience.

Ms. Angela Martin presented the council's six-year capital plan which was submitted to the Capital Planning Advisory Board in April. Any capital project with an estimated cost of \$400,000 or more or any equipment purchase with an estimated cost of \$100,000 or more must be included. The 2002-08 agency plan can be revised until October 2001. The council will approve a 2002-04 capital recommendation in November.

RECOMMENDATION: The staff recommends that the 2000-02 Endowment Match Program guidelines be revised as follows:

~~Matching funds may not be from any state-funded trust fund.~~
Matching funds must be from external sources. General Fund appropriations and student-derived revenues (for example, tuition and fees revenue) are not eligible for matching funds.

MOTION: Mr. Barger made the motion to approve the recommendation. Mr. Whitehead seconded the motion.

AMENDMENT TO MOTION: Mr. Greenberg made an amendment to the motion that the council form a subcommittee to review the guidelines and report back to the council at the July 30 meeting. Mr. Hackbart seconded the amendment.

MOTION: Mr. Hackbart made a motion to approve the recommendation as amended. Motion seconded by Mr. Greenberg.

VOTE: The motion passed.

RECOMMENDATION: The staff recommends that the University of Kentucky's request to construct Phase I of an Arboretum Visitor Education Center with \$563,385 in private funds be approved.

A discussion followed the recommendation.

*ACTION:
UNIVERSITY OF
KENTUCKY
ARBORETUM
VISITOR*

Mr. Barger requested that information be provided to the council on how much funding will be provided by the Lexington-Fayette Urban County Government.

*EDUCATION
CENTER PHASE I*

MOTION: Mr. Barger made a motion to approve the recommendation. Seconded by Mr. Whitehead.

VOTE: The motion passed.

RECOMMENDATIONS: The staff recommends the authorization of \$1,500,000 from the 2000-02 agency bond pool to Murray State University for an emergency waterline project in Hart Hall. The staff also recommends that Eastern Kentucky University be commended for volunteering to reduce its agency bond authorization to assist Murray State University.

*ACTION:
MURRAY STATE
UNIVERSITY
AGENCY BOND
POOL AUTHORITY
RENOVATION OF
HART HALL
WATERLINES*

MOTION: Mr. Barger made a motion to approve the recommendation. Seconded by Mr. Whitehead.

VOTE: The motion passed.

The meeting adjourned at 10:30 a.m.

ADJOURNMENT

Angela S. Martin
Vice President for Finance

Tammie L. Clements
Secretary